

and thus, instead of the debt of the state being lessened in proportion to the contributions of the people, probably one third of this debt would still remain to be paid after property had been parted with by the people equal to the whole, and additional taxes must be imposed to make up the deficiency.

To establish the credit of a paper money, the fund on which it is issued should not only be ample and secure, but a general and perfect confidence should obtain, that government would enforce the redemption of the bills, agreeably to the terms of the emission. At present this confidence seems to be wanting; how otherwise can we account for the depreciation of the paper emissions, commonly called black state, and state continental? Although the funds are said to be more than adequate to redeem these emissions, the term of redemption elapsed, and the uses abundant, the former passes at a discount of 20 per cent. when exchanged for specie, and the latter at a discount of 30 per cent. To give credit to paper money, it is also necessary that the term of redemption should be short, especially when the credit of government is low. A promissory note (and bills of credit are nothing more than promissory notes) of £. 100, payable fifteen years hence, without interest, would be worth little more than £. 40 ready money in this country, where the rate of interest is six per cent. If doubts should be entertained of the final payment of this note, it would not command a quarter part of that sum, and probably could not be exchanged at any rate, for ready money. Hence the great disparity between bank paper, payable in coin, on demand, and promissory notes, the payment of which depends either upon the good will or the ability of those who issue them to fulfil their engagement. Such a paper money would, no doubt, fall more or less below the value of gold and silver, according as the difficulty, or uncertainty of obtaining payment was supposed to be greater, or less, or according to the greater or less distance of time, at which payment was exigible. At the end of ten years, the term fixed by the bill for the redemption of the bills of credit proposed to be emitted by it, a considerable proportion of them would be outstanding. The lands of the borrowers of these bills of credit, who had not discharged their bonds passed to the state, must be sold to procure gold and silver, to redeem the bills brought into the treasury to be exchanged for those metals; and it must be foreseen, that the same causes which are now assigned for the emission of paper money, may then be urged to procrastinate the term of payment, or to substitute a new emission to pay off the old. This opinion, which cannot be prevented, will contribute conjointly with other causes to depreciate the proposed emission. From the present general diffidence and distrust in the faith of government and its resources, from the particular disinclination to paper money, among such of our citizens as have it most in their power to support or sink its credit, we are led to conclude, that the voluntary uses for this paper money, compared with the same uses for coin, would be very few, consequently the former must sink greatly below its nominal value.

The bill has indeed created a considerable use for this paper money, by making it receivable in all taxes and duties, except the five per cent. impost, whenever that duty shall be imposed, and for several other purposes mentioned in the bill. The payment of taxes, however, is the great and principal use, and the extent of this will depend altogether upon the extent of taxation, and the punctuality with which the taxes are paid, and we conceive that those who are most in favour of the bill, must depend principally on high taxation to support the credit of the paper.

Suppose high taxes are imposed and paid; yet as this is only one use of money, which can also be answered by gold and silver, which will moreover answer a variety of purposes, to which the bills of credit cannot be applied, the difference of real usefulness will be too obvious not to create a difference in the common opinion of the value of each.

If high taxes should be imposed, and not paid, the uses will be imaginary; for if a man owes a tax which he is not compelled to pay, he will not be anxious to acquire the means of payment, and we apprehend, that should there be a quantity of these bills in circulation, beyond what the use of taxation would absorb and employ, and their value notwithstanding should keep nearly upon a level with specie, (which, however, is scarcely supposable) there will be great deficiencies in the payment of high taxes, as was the case in the beginning of the year seventeen hundred and eighty-five; although for two years antecedent to that time, money was more plentiful in this state, than ever it was before or has been since, and certificates to a large amount were discountable in taxes; but should the taxes payable in this money, in consequence of the difficulty of paying them, be lessened, the use will be lessened also. If the bills of credit should greatly depreciate, taxation would indeed be nominally high, and taxes might be paid in such depreciated paper into the treasury; but when paid, would be of little use to the state, unless indeed nominal payments to the officers of government can be called a proper use of paper money.

If the bills of credit should greatly depreciate, any given sum might be more easily levied on the people in payment of taxes, than if the same sum were imposed in specie, because much less property will then be necessary to procure the money so depreciated to pay the taxes. The people and government, however, will gain nothing by this transaction; for when this money is again issued from the treasury, to provide for the expences and exigencies of the state, a price must be paid in this paper for every article the government may want, equal at least to, if not greater, than its actual depreciation; for every one who is at liberty to bargain for his services, produce or merchandise, will calculate in the sale of them upon the future and probable depreciation.

The low state of our credit, the instability of our public councils, the debility of our government, the remissness in the collection or payment of taxes, the various and almost infinite uses of coin, compared with the forced and very limited use created by the bill for the proposed emission of paper, satisfy us that it would depreciate very considerably, and that a depreciation once began, would increase the want of confidence in the money, and be itself a cause of further depreciation.

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